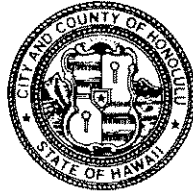


DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813
PHONE: (808) 768-3900 • FAX: (808) 768-3179 • INTERNET: www.honolulu.gov

MUFI HANNEMANN
MAYOR



MARY PATRICIA WATERHOUSE
DIRECTOR

MARK K. OTO
DEPUTY DIRECTOR

May 6, 2008

The Honorable Barbara Marshall, Chair
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

RECEIVED

CITY CLERK
HONOLULU, HAWAII
MAY 7 2 13 PM '08

Dear Chair Marshall and Councilmembers:

Submitted to the City Council for consideration are revisions to Bill No. 18 (2008), CD1 Executive Operating Budget and Program for the Fiscal Year (FY) July 1, 2008 to June 30, 2009, and Bill No. 19 (2008), CD1 Executive Capital Budget and Program for the Fiscal Year July 1, 2008 to June 30, 2009. The revisions are necessary to program monies for the anticipated purchase of the City's H-POWER plant, forwarded to the City Council in Department Communication No. 359, dated, April 29, 2008. Furthermore, we request a new project to update the Ewa Villages master plan.

Attachment A revises the Executive Operating Budget and Program for FY 2009, Bill 18 (2008), CD1 to reflect the reduction in revenues for the agreement of sale payment of \$28.133 million (Principal - \$26.867 mil. and Interest Earnings - \$1.266 mil.) due April 30, 2009, as the purchase of H-POWER is scheduled for October 30, 2008. Conversely, our lease rental for H-POWER in the operating budget is also requested to be reduced by \$29.346 million for our payment due April 30, 2009. Lastly, we request an increase in debt service payments of \$1.3 million for FY 2009, including the increase in the transfer from the Solid Waste Special Fund to reimburse the General Fund for the H-Power debt service payment.

Attachment B revises the Executive Capital Budget and Program for FY 2009, Bill 19 (2008), CD1 to program additional funding for the H-Power purchase that includes \$10 million cash (Solid Waste Special Fund) and \$33.999 million in Solid Waste Improvement Bonds. We are also requesting to add a new project, Ewa Villages Master Plan Update, to prepare an updated master plan for Ewa Villages.

The Honorable Barbara Marshall, Chair
and Members
May 6, 2008
Page Two

Thank you for your consideration of the foregoing request.

Sincerely,

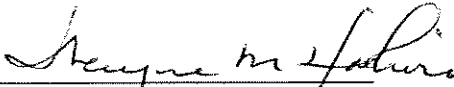


Mary Patricia Waterhouse
Director

MPW/ABK:sk

Attachments

APPROVED:



Wayne M. Hashiro, P.E.
Managing Director

cc: Office of the Mayor
Department of Environmental Services
Department of Planning and Permitting
The Honorable Todd K. Apo, Chair
Budget Committee, Honolulu City Council

**AMENDMENT TO THE EXECUTIVE OPERATING
PROGRAM**

S = Salaries
CE = Current Expenses
E = Equipment
T = Temporary Position
C = Personal Services Contract

**II. AMENDMENTS RELATING TO DETAILED STATEMENT OF
REVENUES AND SURPLUS**

FUND NAME	AMENDMENT	AMOUNT	FUND
II. AMENDMENTS TO EXECUTIVE OPERATING BUDGET AND PROGRAM			
AMENDMENTS RELATING TO DETAILED STATEMENT OF REVENUES AND SURPLUS			
General Fund	Increase "Recov Debt SV-SWDF Sp Fd."	\$1,300,000	GN
Solid Waste Fund	Increase "Interfund Transfer."	(\$1,300,000)	WF
Solid Waste Fund	Decrease "Other Sources - Interest Earnings."	(\$1,266,000)	WF
Solid Waste Fund	Decrease "Principal."	(\$26,867,000)	WF

**AMENDMENT TO THE EXECUTIVE OPERATING
PROGRAM**

S = Salaries
CE = Current Expenses
E = Equipment
T = Temporary Position
C = Personal Services Contract

I. AMENDMENTS RELATING TO DEPARTMENTAL BUDGETS

FUNCTION/PROGRAM/ AGENCY/ACTIVITY	AMENDMENT	POSITION	AMOUNT
=====			
I. AMENDMENTS TO EXECUTIVE OPERATING BUDGET AND PROGRAM			
SANITATION			
WASTE COLLECTION AND DISPOSAL			
Department of Environmental Services			
<i>Refuse Collection and Disposal</i>	<i>Reduce funding for Rental of Building object code #3640 for H-Power lease rent.</i>		<i>(\$29,346,000) WF CE</i>
DEBT SERVICE			
BOND PRINCIPAL AND INTEREST			
<i>City and County Bonds</i>	<i>Add funding for debt service payment of H-Power.</i>		<i>\$1,300,000 GN CE</i>
MISCELLANEOUS			
TRANSFERS TO OTHER FUNDS			
<i>Transfer to General Fund for Debt Service</i>	<i>Add funding for reimbursement to General Fund for H-Power debt service.</i>		<i>\$1,300,000 WF CE</i>

FUNCTIONS, PROGRAMS & PROJECTS	REQUESTED REVISIONS		REQUESTED REVISED PROJECT AMOUNTS		
	WORK PHASE	SOURCE OF FUNDS	WORK PHASE	SOURCE OF FUNDS	TOTAL ALL FUNDS
<u>GENERAL GOVERNMENT</u>					
STAFF AGENCIES					
<u>PLANNING AND PERMITTING</u>					
EWA VILLAGES MASTER PLAN UPDATE Update Ewa Villages Master Plan.	250,000 P	250,000 GI	250,000 P	250,000 GI	250,000
<u>SANITATION</u>					
WASTE COLLECTION AND DISPOSAL					
<u>ENVIRONMENTAL SERVICES</u>					
SOLID WASTE TO ENERGY FACILITY - PURCHASE Purchase the H-Power facility.	43,999,000 X	33,999,000 WB 10,000,000 WF	44,000,000 X	34,000,000 WB 10,000,000 WF	44,000,000
INCREASE FROM THIS REVISION		44,249,000			